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France

Organic

**French Permanent Assembly of Agricultural
Chambers (APCA) Discussions on Organic Farming
1998**

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Report Highlights:

To face the development of organic farming and consumption, French Agricultural Chambers met to discuss farmers support. It resulted in need of technical and economic references.

Includes PSD changes: No
Includes Trade Matrix: No
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Current Background Information on Organic Farming:

During the last two years, the number of French organic producers increased 60 percent, from 3,900 to 6,200 and the total cultivated area increased from 140,000 to 220,000 hectares. In 1997, French consumption of organic food products increased 20 percent and imports more than doubled. As of September 1998, total French imports of organic foods amounted to 11,500 tons and is expected to continue growing strongly in the future.

Last week, the President of the Permanent Assembly of Agricultural Chambers (APCA) noted that farmers need technical and economic support as they convert to organic agriculture. The head of the organics division at APCA indicated that production of meat and milk increased faster than organic grains production, which could result in a shortage of organic animal feeds needed to support growth in meat production. He recommended that incentive payments be targeted by type of production.

The five-year action plan to stimulate organic agriculture presented at the end of 1997 by the French Minister of Agriculture aims for one million hectares and 25,000 organic farms by the year 2005. But these numbers will only be reached with concerted efforts. The five year action plan for the period 1998-2002 was to stimulate French production, distribution and sales of organic foods including increasing financial support to farmers to convert to organic agriculture (from 800 to 1,200 FF per hectare). The budget for conversion support increased from FF 15 million in 1997, to FF 60 million in 1998. However, taking into account the amount of support not used during 1998, the total budget amounts to FF 83 million.

The organic sector currently represents only one percent of total French production, and will increase to 3 to 5 percent in the coming years only if the objectives of the action plan are realized.

Conclusion:

Organic food is still a niche market in France in terms of value. However, it constitutes a growing market both for sales and the image it transmits to consumers. French supermarket sales of organic foods were estimated to FF 3.9 billion in 1997 (\$668,954 million), representing a yearly increase of 25 to 30 percent, with an increase in value of private labels, representing 14 percent of the dry organic food sales in supermarkets, compared to 4.6 percent in 1997. Other products such as ready to eat organic foods represent total sales of FF 27.5 million (\$4.7 million), butter FF 21.2 million (\$3.6 million), eggs: FF 162 million (\$27.8 million), and dairy products FF 113 million (\$19.4 million).